

## WEBSOFT: LINES OF BUSINESS

### 1. AOL National IPs.

#### Description

- Websoft commits to servicing 25 AOL national IPs as top-priority clients, with rollout as follows: 5 by April 1995, 10 by June 1995, and 25 by August 1995.
- Websoft provides these IPs with a 10% discount below normal, full freight charges.
- AOL may choose to subsidize or absorb the cost of building a website, depending on its arrangement with an IP. AOL further may conclude whatever financial arrangement it works out with the IP (revenue sharing, etc).
- Websoft places some designers in Vienna for purposes of executing an integrated HTML/RMP editorial concept. Websoft/AOL also develop joint selling pitch to promote the benefit of using Websoft.
- While most national IPs will be very large clients, some may be small, high-priority ones like Greenhouse clients.

#### Business Model

- This is a standard fee-for-service business. Websoft should calculate profession time, standard overhead burden, and expenses in developing its pricing. Any special deals should be negotiated by the AOL Brand with the IP.
- Rough revenue projections: 25 IPs times \$100,000 per IP per year = \$2.5 million. If the cost were double revenue would equal \$5 million.
- Fees will be reimbursed either by the IP or by AOL
- AOL Technologies will host the websites built for AOL National IPs, unless these IPs prefer a different arrangement. Websoft should immediately begin coordinating with AOL Technologies to assure adequate capacity. Websoft should bill AOL Technologies charges at cost with no markup.
- Websoft needs to be aware that it is known as a high-cost provider of services. While many AOL National Accounts may need expensive, high-value-added service, others will not. Websoft should seek ways of reducing costs for standard packages of services.

#### Implementation Plan

- Websoft should immediately begin staffing up to meet this need, which is critical to the AOL Brand.
- Websoft should immediately develop a capability document and a standard proposal template that AOL General Managers can use to initially describe Websoft to IPs.
- Websoft should designate a Vice President for AOL Account Management. This person, who would be a senior Websoft executive, will work in Vienna, accompany AOL GMs on sales calls, and coordinate execution of projects with Websoft. Websoft should also have in Vienna senior design personnel to assure coordination with AOL producers and account managers.

High-revenue potential joint ventures.

#### Description

These are major Websoft accounts, in which Websoft performs all work for little or no up-front payment, in exchange for a significant share of downstream revenues.

Because of the dependance on downstream revenues and the speculative nature of the internet, joint ventures should only be done when a thorough business analysis of the arrangement shows strongly positive payback in the face of a steep discount rate and fully-burdened costs.

The basic joint venture proposition is the following:

JV would be a new entity, jointly owned by Websoft and the IP.  
IP contributes information, and agrees to update this information. IP also agrees to promote the site.  
Websoft designs and builds the website, and contracts with AOL Technologies to host the website.  
Websoft reaches arrangements with AOL Brand and ISC to promote/feature the website.

Any joint venture requires a heavier than normal commitment of management resources, as Websoft will be focused not only on website design and implementation, but on jointly managing the website as a business.

Because of the risk and the high management attention required, Websoft will do no more than 5-10 joint ventures in 1995.

#### Business Model

Financial model constructed builds a discounted cash flow model, comparing fully-loaded Websoft costs to projected base case revenues. The revenue share percentage demanded by Websoft would vary depending on the model. Generally, Websoft should aim for at least a 40% annual rate of return. Websoft can help also achieve this rate of return by including minimum payments and up-front fees.

Websoft would assign a "product manager" to

Assess the venture

Negotiate the deal

Interface between IP and designers in building the site

Work with AOL, ISC, and others to feature/promote the site

Manage the business, in conjunction with an IP

Given start-up costs of \$500k - \$750k per joint venture, assume capital requirements of \$2.5mm to \$7.5mm to fund up front JV costs.

#### Implementation

- Websoft should immediately hire a business development manager to negotiate and evaluate joint ventures. We should not take whatever crosses our desks.
- We should flesh out a joint venture template, recognizing that each deal will vary. The template would follow the above outline. In a nutshell: IP provides the content, we put the content up and distribute it. We share, with the split based on the value each party brings to the table.
- We should focus on three initial projects and assign \*maximum\* resources to making these happen. The learning from these will significantly help us down the road.
- These projects should take priority over standard fee-for-service projects, but not over AOL IP projects.

- We should staff up with the expectation of 5-10 deals. Assume one product manager for each two deals.

Other large information providers.

Description

- Websoft makes standard bids.
- In cases where Websoft concludes there is revenue upside, Websoft generally offers the option of discounting the service in exchange for a revenue share.
- Websoft can make certain promotional commitments on behalf of ISC and the AOL/ISC directory. Websoft can make introductions to the AOL brand but cannot commit on their behalf

Business Model

- Business model is the same as WAIS's current model
- WAIS/Websoft should aggressively look for cost savings opportunities and standardization to make prices more competitive.

Implementation

- Websoft should immediately project 6-12 month demand and staff accordingly.
- Websoft should aggressively find ways to standardize and simplify projects for IPs. This should occur through every step of the process, from sales to follow-up.

#### AOL Smaller IPs.

- Websoft cannot service these accounts through its standard procedures.
- AOL/Websoft need to decide how these accounts should be handled
  - AOL build in-house capacity.
  - AOL develop certified developers program, and manage this closely.
  - Websoft develop certified developers program and manage this closely.

#### Business Model

Unclear. AOL Brand is looking for help. The best short-term solution is a referral network of webbuilders we can trust. Another option is to provide small IPs with a kit -- a server, authoring tools, and some templates. One option is that Websoft assigns a 3rd party developer coordinator, who works with Ron Dennis, to find and interface with these developers.

## FENWICK &amp; WEST

A LAW PARTNERSHIP INCLUDING  
PROFESSIONAL CORPORATIONS

TWO PALO ALTO SQUARE

PALO ALTO, CALIFORNIA 94306

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(415) 494-0800  
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SUITE 650  
WASHINGTON, D.C. 20036  
(202) 463-6300

March 21, 1995

BY FEDERAL EXPRESS

Pls Fax to Brewster

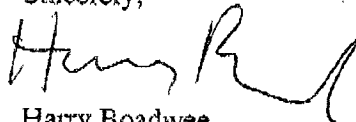
Mr. Bill Dunn  
America Online, Inc.  
8619 Westwood Center Drive  
Vienna, VA 22182Re: WAIS Acquisition

Dear Bill:

Enclosed at your request today are: (a) our draft of the Index of Documents for the acquisition of WAIS by AOL, and (b) our due diligence document request list to WAIS, as marked up by Wilson, Sonsini in connection with their response to us.

The Index of Documents is a guide to the agreements and documents that must be drafted, negotiated and signed before the April 17 closing. We need to discuss with Sheila Burke the allocation of responsibilities between AOL legal and Fenwick & West and the timetable for meeting the closing date.

Sincerely,



Harry Boadwee

HBB/hbb

Enclosures

cc: Sheila Burke, Esq.  
Mark C. Stevens, Esq.

**AMERICA ONLINE, INC.**

**MERGER OF**

**[TO COME]**

**with and into**

**WIDE AREA INFORMATION SERVERS, INC.**

**March \_\_, 1995**

**SUMMARY OF INDEX OF DOCUMENTS**

<b><u>Part</u></b>		<b><u>Document Numbers</u></b>
I.	Definitive Agreements	1-14
II.	Closing	15-26
III.	Corporate Proceedings	27-32
IV.	Miscellaneous	33-46

DEFINITIONS USED IN INDEX OF DOCUMENTS

<u>Accountants</u>	_____, independent accountants for AOL.
<u>AOL</u>	America Online, Inc., a Delaware corporation.
<u>Bank</u>	_____, transfer agent and escrow agent for AOL.
<u>Closing Date</u>	_____, 1995
<u>Department</u>	California Department of Corporations.
<u>F&amp;W</u>	Fenwick & West, counsel for AOL.
<u>Merger</u>	Merger of Sub with and into WAIS.
<u>NASDAQ</u>	The National Association of Securities Dealers Automated Quotation Systems.
<u>Plan</u>	Agreement and Plan of Reorganization dated as of _____, 1995 by and among WAIS, AOL and Sub and Related Agreement of Merger dated _____, 1995, by and between WAIS and Sub.
<u>SEC</u>	Securities and Exchange Commission.
<u>Sub</u>	_____, a [California] corporation and wholly owned subsidiary of AOL. <b>[NEED NAME AND STATE OF INCORPORATION OF SUB]</b>
<u>WAIS</u>	Wide Area Information Servers, Inc., a California corporation.
<u>WSGR</u>	Wilson, Sonsini, Goodrich & Rosati, counsel for WAIS.



## PART I

DEFINITIVE AGREEMENTS

<u>Document</u>	<u>Document Number</u>
Agreement and Plan of Reorganization dated as of March __, 1995, including exhibits and schedules thereto (the "Plan"). [F&W has prepared first draft of Agreement and Plan, without exhibits and schedules.]	1
WAIS' Schedule of Exceptions dated __, 1995.	2
Agreement of Merger and Officer's Certificates as filed with the [California] Secretary of State effective __, 1995.	3
Escrow Agreement dated as of __, 1995 among AOL, __, as representative of the WAIS Shareholders, and Bank.	4
WAIS Affiliates Agreements among AOL, WAIS and the affiliates listed below [F&W has prepared first draft]: [TO COME]	5
AOL Affiliates Agreements between AOL and the AOL affiliates listed below [F&W has prepared first draft]: [TO COME]	6
Continuity of Interest Certificate for Common Shareholders pursuant to Section 8.11 of the Plan	7
[Amendment to] Registration Rights Agreement	8
Employment and Noncompetition Agreements dated as of __, 1995 between AOL and Brewster Kahle. [OTHERS?]	9
[Exchange Agent Agreement dated as of __, 1995 between AOL and Bank.]	10
Consent to Cancellation of WAIS Options, pursuant to Section 8.15 of the Plan.	11
Amendment to AOL 19__ Stock Option Plan to increase the number of shares issuable under such Plan to __. [NEEDED?]	12
Stock Option Grant Agreements, dated __, 1995, between AOL and each of the following persons listed below with respect to the Additional AOL Options:	13
<ul style="list-style-type: none"> <li>- Brewster Kahle</li> <li>- Current employees at March 17, 1995 remaining employed at the Closing Date</li> <li>- New employees hired after March 17, 1995 and remaining employed at the Closing Date</li> </ul>	

Investor Representation Agreements from:	14
- Brewster Kahle	
- [Wilson, Sonsini, Goodrich & Rosati Investment Fund]	
- [Allen Morgan]	

## PART II CLOSING

(Unless otherwise indicated all documents  
appearing under this heading are dated  
\_\_\_\_\_, 1995)

Certificate of Officer of AOL and Sub on certain tax matters delivered pursuant to Section 1.7 of the Plan.	15
Certificate of Officer of WAIS on certain tax matters delivered pursuant to Section 1.7 of the Plan.	16
Certificate of Officer of AOL and Sub regarding accuracy of representations and warranties and performance of covenants delivered pursuant to Sections 7.1 and 7.2 of the Plan.	17
Certificate of Officer of WAIS regarding accuracy of representations and warranties and performance of covenants delivered pursuant to Sections 8.1 and 8.2 of the Plan.	18
Opinion of WSGR delivered to AOL pursuant to Section 8.5 of the Plan.	19
WAIS Management Certificate delivered to WSGR regarding WSGR opinion.	20
Opinion of Accountants delivered pursuant to Sections 7.8 and 8.9 of the Plan regarding treatment of the Merger as of a "Pooling of Interests."	21
Opinion of F&W delivered to WAIS pursuant to Section 7.7 of the Plan.	22
AOL Management Certificate delivered to F&W regarding F&W's opinion.	23
Certificate of Good Standing of AOL from Delaware (___/___/95) [and California (___/___/95).]	24
Certificate of Good Standing of WAIS from California (___/___/95).	25
Certificate of Good Standing of Sub from [California] (___/___/95).	26

## PART III CORPORATE PROCEEDINGS

Resolutions adopted at a Meeting of Board of Directors of WAIS held on _____, 1995.	27
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Resolutions adopted at a Meeting of the Board of Directors of AOL held on _____, 1995.	28
Unanimous Written Consent of Board of Directors of Sub dated as of _____, 1995.	29
Unanimous Written Consent of Shareholders of WAIS dated _____, 1995.	30
Written Consent of the Sole Shareholder of Sub dated as of _____, 1995.	31
Resignations of WAIS Board members and officers listed below:	32
[TO COME]	

#### PART IV

#### MISCELLANEOUS

Letter Agreement regarding voting between Brewster Kahle and AOL (Letter of Intent, Section 11)	33
Press Release dated _____, 1995 announcing signing of Plan.	34
Press Release dated _____, 1995 announcing completion of Merger.	35
[Letter dated _____, 1995 from AOL to WAIS shareholders regarding exchange of WAIS share certificates and redemption of fractional shares, together with a form of Letter of Transmittal from WAIS shareholders to Bank.]	36
Letter dated _____, 1995 from AOL to holders of WAIS options regarding exchange of options for AOL Common Stock.	37
AOL Closing Price.	38
Form D filed with the SEC on _____, 1995.	39
Listing of Additional Shares with NASDAQ and Notification pursuant to SEC Rule 10b-17 dated _____, 1995.	40
[Form 10-C filed with the SEC [and NASDAQ] on _____, 1995 (Report by Issuer of Securities Quoted on NASDAQ Interdealer Quotation System).]	41
Form S-8 filed with the SEC [and NASDAQ] on _____, 1995 with respect to AOL shares issuable upon exercise of WAIS options assumed by AOL and of Additional AOL Options.	42
[Blue sky filings depending on residence of WAIS optionholders.]	43
[Articles] of Incorporation of Sub.	44
Organizational Resolutions of Sub dated _____, 1995.	45
Nondisclosure Agreement dated March 9, 1995. [Completed.]	46

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P.2

## DUE DILIGENCE MATERIAL

Previously Provided	Provided Herewith	N/A
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## (A) Basic corporate documents:

- |                                     |                                     |                                     |   |
|-------------------------------------|-------------------------------------|-------------------------------------|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | ✓(1) Articles of Incorporation, including amendments.   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | ✓(2) Bylaws, including amendments.  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | ✓(3) Minutes of all meetings of directors, committees of directors, and shareholders, including copies of notices of all such meetings where written notices were given, and copies of all Written Consents.  |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | ✓(4) List of states and foreign countries in which qualified to do business. <i>California</i>  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <i>NS</i> (5) Business Plans. <i>Maryland - pending</i>   |
| <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | (B) Previous issuances of common stock, preferred stock, warrants, options, debentures, bonds, or any other securities.   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | (1) Schedules setting forth all issuances or grants of stock and options by the Company, listing the names of the issuers or grantees, the amounts issued or granted, the dates of the issuances or grants, and the consideration received by the Company in each case. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | ✓(2) Lists of all current record and beneficial owners of stock, including addresses and number of shares owned.  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | (3) Same information as specified in (b)(2) above for holders of any other outstanding securities.  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <i>NS</i> (4) List of all options currently outstanding, including names and addresses of option holders and the number of options held by each. <i>need addresses</i>  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <i>NS</i> (5) Samples of stock certificates, option certificates and any other outstanding securities. <i>WS</i>  |

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(6) Copies of any voting trust, shareholder or other similar agreement covering any portion of the Company's shares. ☒ [ ] [ ] [ ]

(7) All communications with shareholders. ☒ [ ] [ ] [ ]

(8) Stock option plans and forms of option agreements which have been used. ☒ [ ] [ ] [ ]

(9) Stock purchase agreements which have been used for sales of common stock. ☒ [ ] [ ] [ ]

(10) Any other agreements relating to sales of securities by the Company, including Buy-Sell and Right of First Refusal Agreements. ☒ [ ] [ ] [ ]

(11) Applications and permits or other state or federal securities law filings for issuance or transfer of Company's securities. ☒ [ ] [ ] [ ]

(12) Any agreements relating to registration rights. ☒ [ ] [ ] [ ]

(c) Material contracts, agreements, information and literature: ☒ [ ] [ ] [ ]

(1) List of major distributors and manufacturers. ☒ [ ] [ ] [ ]

(2) List of major customers and revenues received from each such customer for the last three years and forecast for the current fiscal year. ☒ [ ] [ ] [ ]

(3) List of major competitors by product. ☒ [ ] [ ] [ ]

(4) Percentage of sales contributed by each major product for the last three fiscal years and forecast for the current fiscal year. ☒ [ ] [ ] [ ]

(5) Standard software and other license agreements (including all predecessor forms). ☒ [ ] [ ] [ ]

(6) License Agreements and other agreements with founders, corporate partners, or other parties regarding technology.	[ ]	[ ]	[ ]
(7) Literature concerning the industry generally, and seasonal or cyclical aspects particularly.	[ ]	[ ]	[ ]
* (8) Bank lines of credit.	[ ]	[ ]	[ ]
(9) Loan agreements, including those with officers, directors or employees.	[ ]	[ ]	[ ]
(10) Title reports for any real property owned by the Company.	[ ]	[ ]	[ ]
(11) Lease agreements for offices and other facilities.	[ ]	[ ]	[ ]
(12) Lease agreements for significant computer hardware and other equipment, furniture and automobiles.	[ ]	[ ]	[ ]

Previously  
Provided  
Herewith  
N/A

(13) Contracts with major distributors.	[ ]	[ ]	[ ]
(14) Contracts with major customers.	[ ]	[ ]	[ ]
(15) Sample contracts with other customers.	[ ]	[ ]	[ ]
(16) Contracts with major suppliers or manufacturers.	[ ]	[ ]	[ ]
(17) Sample contracts with other suppliers or manufacturers.	[ ]	[ ]	[ ]
(18) Insurance policies.	[ ]	[ ]	[ ]
(19) Information re governmental regulatory proceedings.	[ ]	[ ]	[ ]
(20) Partnership agreements.	[ ]	[ ]	[ ]
(21) Joint venture agreements.	[ ]	[ ]	[ ]
(22) Research and development agreements.	[ ]	[ ]	[ ]

EB

- |     |     |     |  |
|-----|-----|-----|--|
| [ ] | [X] | [ ] | (23) Technical cooperation agreements.<br><i>Example</i>   |
| [ ] | [ ] | [X] | (24) Permits and distributorship agreements.   |
| [ ] | [ ] | [X] | (25) Import/export licenses.   |
| [ ] | [X] | [ ] | (26) Advertising and marketing literature.   |
| [ ] | [ ] | [X] | (27) Patents or pending applications (both domestic and foreign).  |
| [ ] | [X] | [ ] | (28) Trademarks/servicemarks, trademark/ servicemark registrations or pending applications.                              |
| [ ] | [ ] | [ ] | (29) List of trade names. <i>WAIS</i>  |
| [ ] | [ ] | [ ] | (30) Copyrights, copyright registrations or pending applications. <i>Source Code, Documentation, Marketing Materials</i> |
| [ ] | [ ] | [X] | (31) Product warranties.<br><i>(Addressed in License)</i>  |
| [ ] | [X] | [ ] | (32) Product literature distributed or to be distributed to the public.  |
| [ ] | [ ] | [X] | (33) Agreements re divestiture of divisions.   |
| [ ] | [ ] | [X] | (34) Acquisition agreements.   |
| [ ] | [ ] | [X] | (35) Asset purchase agreements.  |

<u>Previously</u>	<u>Provided</u>	
<u>Provided</u>	<u>Herewith</u>	<u>N/A</u>

- |     |     |     |   |
|-----|-----|-----|---|
| [ ] | [ ] | [X] | (36) Documentation of merger with any predecessor corporations.   |
| [ ] | [X] | [ ] | (37) Agreements re sales to government entities.  |
| [ ] | [ ] | [X] | (38) Settlement documents.  |
| [ ] | [ ] | [X] | (39) List of materials used by Company designated as "Hazardous" or "Toxic" pursuant to CERCLA, the Emergency Planning and Community Right-to Know Act, the Hazardous Materials Transportation Act, the Toxic Substances Control Act, the |

Occupational Safety and Health Act of 1970 and  
any similar state acts.

- |                          |                          |   |   |
|--------------------------|--------------------------|---|---|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>                | (40) Other material contracts outstanding.  |
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> (D) | Documentation relating to pending or threatened litigation, assessment or claims, including:  |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>                | (1) Copies of documentation and pleadings relating to any lawsuit.  |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>                | (2) Correspondence, memoranda and notes concerning any dispute with suppliers, competitors, or customers regarding any claim for an amount in excess of \$10,000, or any claim or potential claim as to the licensing or use of technology. |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>                | (3) Correspondence with auditors regarding threatened or pending litigation, assessment or claims.  |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>                | (4) Correspondence, memoranda and notes concerning inquiries from federal or state tax authorities.   |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>                | (5) Correspondence, memoranda and notes concerning inquiries from federal or state occupational safety and hazard officials.  |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>                | (6) Correspondence, memoranda and notes concerning any claim or potential claim involving the prior employment or inventions of any employee or consultant of the Company.  |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>                | (7) Correspondence, memoranda and notes concerning inquiries from federal or state authorities regarding equal opportunities violations.  |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>                | (8) Correspondence, memoranda and notes concerning warranty claims.   |
- 
- |                   |                 |            |
|-------------------|-----------------|------------|
| <u>Previously</u> | <u>Provided</u> |            |
| <u>Provided</u>   | <u>Herewith</u> | <u>N/A</u> |
- 
- |                          |                          |                          |   |
|--------------------------|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (9) Correspondence, memoranda and notes concerning inquiries from federal or state officials regarding consumer product safety matters. |
|--------------------------|--------------------------|--------------------------|---|



- |                          |                          |                                     |   |
|--------------------------|--------------------------|-------------------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            | (10) Correspondence, memoranda and notes concerning inquiries from federal or state environmental officials.  |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            | (11) Correspondence, memoranda and notes concerning inquiries from federal authorities regarding antitrust matters.   |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            | (12) Correspondence, memoranda and notes concerning inquiries from federal or state agencies regarding compliance with any other law, rule or regulation.                   |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            | (13) Correspondence, memoranda and notes concerning any litigation involving a key supplier, distributor or customer that may have a material impact on the Company.        |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            | (14) Correspondence, memoranda and notes concerning any litigation or claims involving the import or export of the Company's products.                                      |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            | (15) Attorneys' opinion letters to auditors in connection with audits.  |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            | (16) Attorneys' opinion letters to Company concerning the potential effects of any significant proposed or pending changes in any state or federal law, rule or regulation. |
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | (E) Audit documentation:  |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            | (1) Management letters from auditors concerning internal accounting controls in connection with all audits since the Company's inception.                                   |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            | (2) All letters that have been sent to the Company in connection with all audits since the Company's inception.   |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            | (F) Employee documentation:   |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            | (1) Correspondence, memoranda and notes concerning labor or employment disputes.<br>(ck JΔ)   |
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | (2) Collective bargaining agreement, if any.  |

Previously Provided	Provided Herewith	N/A
------------------------	----------------------	-----

- |     |     |     |  |
|-----|-----|-----|--|
| [ ] | [ ] | [ ] | (3) Employment, noncompetition or any similar agreements with employees and consultants.<br><i>(incl. offer letters + contracts)</i>   |
| [ ] | [ ] | [✓] | (4) Pension, profit-sharing, severance or retirement plans.  |
| [ ] | [ ] | [✓] | (5) Management incentive or bonus plans.   |
| [ ] | [ ] | [ ] | (6) Proprietary Information and Inventions agreements with employees and consultants.  |
| [ ] | [ ] | [ ] | (G) Financial documentation:   |
| [ ] | [✓] | [ ] | <i>Quarterly</i><br>✓(1) Balance sheet, income statement and statement of changes in financial position since inception.   |
| [ ] | [✓] | [ ] | ✓(2) Tax returns since inception.  |
| [ ] | [✓] | [ ] | ✓(3) List of banks or other lenders with which Company has a financial relationship (briefly describe nature of relationship — bank accounts, safe deposit accounts, signatories for accounts, lines of credit, etc.). |
| [ ] | [ ] | [ ] | <i>NS</i> ✓(4) Most recent projected financial and cash flow statements.   |

117078.1



## FAX TRANSMISSION

Please deliver this cover PLUS 19 page(s) to:

NAME: Brewster Kahle

COMPANY: WAIS

FAX #: (415) 327-6513 PHONE #: \_\_\_\_\_

Transmitted on Fri, 3/31, at \_\_\_\_\_ a.m./p.m. by:

(Name) Sharonette & Bill  
America Online, Inc.

Direct Line: (703) 917-1383

Main #: (703) 448-8700

Fax #: (703) 506-1942

COMMENTS: \_\_\_\_\_  
\_\_\_\_\_  
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